

Filed for intro on 02/15/95
Senate Bill _____
By _____

House No. HB1198
By Byrd

AN ACT to amend Tennessee Code Annotated, Title 49, Chapter 7, relative to college savings plans.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Title 49, Chapter 7, is amended by adding a new part thereto as follows:

49-7-801. This Act shall be known and may be cited as the "Tennessee Baccalaureate Education System Trust Act".

49-7-802. The General Assembly hereby finds and declares the following:

(1) It is an essential function of state government to forever encourage schools and the means of education, as provided in Section 12 of Article XI of the Constitution of Tennessee.

(2) It is a responsibility of state government to maintain state institutions of higher education.

(3) It is an essential function of state government to encourage attendance at state institutions of higher education.

(4) Tuition costs at public institutions of higher education are difficult for many to afford and are difficult to predict which makes it difficult for individuals and families to plan for the costs of higher education.

(5) It is in the best interest of the people of this state to foster public higher education in order to provide well-educated citizens.

(6) It is in the best interest of the people of this state to encourage state residents to enroll in state public institutions of higher learning.

(7) Students in elementary and secondary schools tend to achieve to a higher standard of performance when the payment of tuition for their higher education is secured.

(8) Providing assistance to assure the higher education of the citizens of this state is necessary and desirable for the public health, safety, and welfare.

49-7-803. In light of the findings described in Section 49-7-802, the General Assembly declares the purposes of this act and of the baccalaureate education system trust created by this act to be:

(1) To encourage education and the means of education;

(2) To maintain state institutions of higher education by helping to provide a stable financial base of these institutions;

(3) To provide wide and affordable access to state institutions of higher education for the residents of this state;

(4) To encourage attendance at state institutions of higher education;

(5) To provide students and their parents economic protection against rising tuition costs;

(6) To provide students and their parents financing assistance for postsecondary education;

(7) To help provide the benefits of higher education to the people of this state; and

(8) To encourage elementary and secondary students in this state to achieve high standards of performance.

49-7-804. As used in this part, except where the context clearly requires otherwise:

(1) "Board" means the board of trustees of the baccalaureate education system trust fund program described in this part.

(2) "Program" means the baccalaureate education system trust program created in this part.

49-7-805.

(a) The board of trustees of the baccalaureate education system trust program shall consist of seven (7) members as follows:

(1) the state treasurer, ex officio;

(2) the comptroller of the treasury, ex officio;

(3) the commissioner of finance and administration, ex officio;

(4) the secretary of state, ex officio;

(5) the chancellor of the state board of regents, ex officio;

(6) the president of the University of Tennessee system, ex officio;

and

(7) the executive director of the Tennessee student assistance corporation.

(b) Members of the board may designate members of their respective staffs to attend meetings of the board and to exercise their right to vote in their absence. Such designations shall be in writing to the board chair and filed with

the secretary of state. The state treasurer shall serve as chair of the board of trustees.

(c) Members of the board shall serve without compensation but shall receive reasonable reimbursement for actual and necessary travel expenses in accordance with the travel regulations promulgated by the department of finance and administration and approved by the attorney general and reporter.

(d) A majority of the members of the board serving shall constitute a quorum for the transaction of business at a meeting of the board. Voting upon action taken by the board shall be conducted by a majority vote of the members present at the meeting of the board. The board shall meet at the call of the chair and as may be otherwise provided in the by-laws of the board. Meetings of the board may be held anywhere within the state.

(e) The business of the board shall be conducted at public meetings of the board held in compliance with title 8, chapter 44. All records of the board shall be made available to the public in compliance with title 10, chapter 7. 49-7-806.

(a) The board shall make a careful study and investigation of the college savings programs and prepaid college tuition plans of other states and of the federal government.

(b) It is the board's duty to prepare and transmit to the general assembly, by no later than January 15, 1996, a report of the board's work and to make such recommendations as the board deems best for the interest of the state.

SECTION 2. If any provision of this act or the application thereof to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of the act which can be given effect without the invalid provision or application, and to that end the provisions of this act are declared to be severable.

SECTION 3. This act shall take effect upon becoming a law, the public welfare requiring it.